



DRAFT

**MONTANA STATE EMPLOYERS COUNCIL
EXECUTIVE BOARD MEETING MINUTES**

Thursday – April 10, 2003

12:30 to 4:00 p.m.

Meeting held via conference call

Board Members Present:

Barb Kain, Patty Guiberson, Carolyn DeYoung, Jim Hunt, Pat Cunningham

Recorder: Kathy Yankoff, State JSEC Coordinator

Guests: Gordy Higgins & Lorelee Robinson – Department of Labor & Industry

I. CALL TO ORDER: Patty Guiberson called the meeting to order.

- A. Agenda Changes: Due to a family emergency, Patty may have to leave the meeting early, so the reports on the National Business Engagement Consortium and USDOL Business Relations Group were moved to the last part of the meeting.
- B. Approval of Minutes from 10/01/02: **Action:** Barb moved to accept the minutes as submitted and Carolyn seconded the motion. Minutes were approved as submitted.
- C. Correspondence: Kathy indicated she had received thank-you notes from 4 of the students who attended the JMG National Leadership Conference in D.C. She will bring them to the Hamilton meeting for circulation. Patty stated she received an invitation to attend the JMG Conference in Butte in May and that she was planning to attend to represent the MSEC.

II. REPORTS AND UPDATES:

- A. Treasurer's Report: Mark was unable to take part in the meeting, but he had sent a printed report which Kathy had e-mailed to everyone. Revenue since the last report (October 1, 2002) totals \$842.82. The only revenue sources since the Fall are interest earnings on the savings and CDE. Expenses since the last report total \$1,386.00. The primary costs included: \$650 for the JMG students D.C. trip; \$200 to the Billings JSEC (they were the drawing winner in Lewistown); \$360.00 for raffle expenses; and \$160 for a SHRM national membership for Kathy. Overall balance in the account at this time is \$69,900.63. That includes \$61,849.86 in JMG Foundation money that is being held in savings until they start their own account. The current MSEC account balance is \$8,050.77.
Action: Barb moved to accept the report as submitted and Carolyn seconded the motion. Motion passed. A signed copy of the report will be placed in the permanent file.
- B. Department & Division Update: In Ingrid's absence, Gordy Higgins, Job Service Programs Bureau Chief, reported on Division and national developments and the status of state legislative actions and how it may impact the Department and/or Division.
 - The Division has moved forward with the formation of a Redesign Team. The team consists of 10 local Center managers. Ingrid, Mark Bowlds and Gordy will assist the team as needed to complete their work. The charge for the Redesign Team is to examine our structure and the methods we use to provide service to our customers. The Team will develop options for restructuring for the consideration of Ingrid and the Bureau Chiefs. The Team will convene for the first time the end of April and have a July 1st deadline to complete their work. When the work of the Redesign Team is completed, the Leadership Support Center will look at options for its own restructuring that will better fit the field structure.
 - One of the big factors in all of this is the stability of the Employment Security Account (ESA) into the future. Currently, ESA provides about 45% of the funding for labor exchange in local offices. At the current rate we are using the ESA, the fund will be depleted by the end of this biennium. The ESA is a big issue for our Division, particularly in light of developments at the national level.
 - At the national level – Congress is working on HR 1261 which, as it currently stands, would create significant changes for our Division. This is the Workforce Investment Act (WIA) reauthorization bill. It creates a block grant funding mechanism to states to cover Adult, Dislocated Worker and employment services. The bill prescribes a 50/50 split between the state and locals, plus requires the state to pass ½ of its 50% on to the locals. HR 1261 also repeals the Wagner-Peyser Act which eliminates the requirement for a national labor exchange and eliminates FUTA as a funding source for employment services.

- This last piece is critical for Montana as the loss of FUTA as a funding source would impact our strategy with ESA in the next legislative session.
- Federal funding allocations for the Division for the coming fiscal year have taken a big reduction. Looking at Youth, WIA Adult and Dislocated Worker – we have about a 42% aggregate reduction with those three programs. The biggest single impact is in the Dislocated Worker Program which took a cut of about 33% from this year's allocation.
- The Division is aggressively going after National Emergency Grants (NEGs) from USDOL to help with pockets of need with dislocated workers. If successful, this would offset some of the reduction.
- At the state level – In HB2 – the Legislature has left our Department in pretty good shape. We came out with no raids on the ESA, and a fairly late attempt to zero out the Displaced Homemaker Program funding did not pass. We believe this is a result of the educational efforts on the ESA undertaken with legislative staff and interested parties. Also on our radar is HB13 – the state pay plan. The proposed 45 cent per hour raise for the next two years is not looking that promising as it depends on the passage of HB360 – the voluntary termination incentive bill – which does not look like it's going to pass. HB13 has an increase in the state's health insurance premium for the employee only. With no raise in pay and increased insurance costs, those employees that have spouse, dependent and family coverage will actually be seeing a net reduction in their take-home pay.

Patty commented that with the Division looking at redesign this would be good timing to look at JSEC's function. She proposed the Executive Board take a look at what the Redesign Team comes up with and consider doing some strategic planning this Fall to build on that work. Kathy suggested we look at extending the meeting time to accommodate both a business meeting and strategic planning. **Everyone supported Patty's suggestion and agreed the Board would need to extend the normal meeting length.** One option would be to start in the afternoon and end at noon on the following day. This would allow folks travel time the morning before and afternoon after.

- C. Business Services Presentation at IAPES Conference: Kathy had sent out an e-mail on Friday asking the Board to consider a request for financial assistance to attend the annual IAPES Conference in Palm Springs, California in late June. She had been invited to give a presentation on the Division's ground breaking business services (Business Advocacy Program). Because the Division budget is so strapped right now, it would be very difficult to cover her expenses. She has found a number of ways to cut costs including sharing a room with Kelly Chapman and Raini Williams who will be presenting at the conference on other Montana DLI initiatives. Her total cost runs just over \$700. The breakdown is \$325 for conference registration, \$213 for airfare from Salt Lake City and \$180 for meals. She had also put in a request to the State IAPES Chapter for funding assistance, although their assistance – if given – would be split between Raini and Kathy. Discussion followed. Even though he was not able to attend, Mark did send his opinion by e-mail – which was to support the use of MSEC funds for this purpose and that the Board could consider a cap on what is was willing to expend. **Action:** Carolyn made a motion to fund Kathy's expenses up to \$700, to make up the difference in what is not covered by other sources. Barb seconded the motion. Discussion: Patty stated she had reservations about approving the request as it is unusual for an organization to invite someone to speak and then not cover any of their expenses. Jim suggested those in attendance with any voice in the organization's policies should make their opinions known. Call for the question: Motion carried with one dissention.

- D. Update on Plans for 2003 Annual Meeting: Kathy reviewed the draft agenda that was included in the Board mailing. She noted there may be changes to the first day with the business showcase piece to have both tours in the afternoon. This would move John Andrew's presentation to the late morning instead. The original plan for Day #1 was to have a BBQ lunch and tour of the Daly Mansion; however, the cost for this idea is pretty steep and the tour takes too long to fit in both lunch and a tour and still stay on schedule. Facility (grounds) use for this event would be \$100 per hour (total bill would probably be about \$150.00). Given the Division's budget situation, Kathy indicated she would have a problem paying this much for a lunch that we could hold at the hotel – which is charging us nothing for facility use. Discussion followed on whether to MSEC should cover this cost. **Consensus was that we should go with the least costly option and have the BBQ lunch at the hotel rather than pay for use of the Mansion.**

Barb asked the Board to revisit the issue of the MSEC covering the \$400 for the Lewis & Clark presentation. She felt that the request did not get enough discussion through e-mail and thought it should be more thoroughly discussed and an actual vote taken. She has some reservations about paying for such a high cost activity that is not directly related to MSEC goals and objectives.

Action: Pat made a motion to spend the \$400.00 for the Lewis & Clark presentation. Jim seconded the motion. No further discussion. Motion defeated 4 to 1. Pat suggested the Bitterroot JSEC poll other local JSECs for financial assistance.

- E. MSEC Awards for 2003: The deadline for nomination submissions is Monday, April 28th. No nominations have been received to date, but it is very typical to get them in the last few weeks/days. Carolyn has agreed to be part of the awards judging this year and Kathy will find one more person that is removed from Job Service and JSEC to be a third judge.

- F. Jobs for Montana's Graduates: JMG State Coordinator, Lorelee Robinson reported on the status of the program and the formation of the Foundation. The purpose of the Foundation is to raise money to pay for start-up and support of local JMG programs. The Foundation is currently seeking Board members. The Board will have 21 members. Lorelee encouraged the MSEC Board to submit names of potential members. They do not have to be potential big donors as was originally discussed – but could be people that have a great network and possible connections to potential big donors. The kick-off to select the Board will be a gala event to which all those whose names have been submitted will be invited.

Status of JMG: There are currently 44 programs in place and three new ones starting up next year – Absarokee, Denton and Hayes-Lodge Pole. JMG is working on partnering more with the local WIA Youth providers. Lorelee wanted to reiterate her thanks to the Board for all the support they have provided. The Foundation will be starting a checking account soon so she will be asking for a return of the funds that the Council has been holding. She has also requested the Foundation fund a ½ time staff person. The JMG State Conference will be May 6th and 7th in Butte at the Copper King. They expect about 350 students to attend.

III. OLD BUSINESS:

- A. Fundraising and Spending Priorities: The requests for payment for high cost activities for the Hamilton meeting prompted this item on the agenda. It was agreed that the Board would benefit from more guidance from the Council on what is deemed to be appropriate uses for MSEC funds and what type of requests have higher priority for consideration. Discussion of this item will be on the business meeting agenda and Kathy will send out a memo ahead of time so JSECs have time to think about it. This will help with the strategic planning in the Fall as well.
- B. MSEC Policy on Grants to locals: The draft policy that Kathy sent was discussed as well as the comments that had come in from local JSECs. One suggestion was to make it more clear what a grant is as compared to a loan. Pat had some changes in the Timeline section of the policy that tightens up the review time (within 30 days of receipt) and the turn around for the Treasurer to issue a check for approved projects. In addition, he wanted to add some language that makes the recipient accountable for reporting outcomes and also, there was some confusion over the fact that we have two financial assistance policies – one for loans and one for grants. It was suggested this be discussed at the Annual Meeting along with the spending priorities. All agreed. Kathy will send a draft out ahead of time to the locals.
- C. Business Advocate Program Support: Last year the Board awarded \$200 to a local JSEC for support of their Center's Business Advocate Program. Requirement for being in the drawing was that at least one member from the local JSEC attend all or part of the Annual Joint meeting.
- Action: Carolyn made a motion to once again do the drawing. Barb seconded the motion. Discussion: It would be nice to hear from Billings on what they did with the funding. Motion carried.

IV. NEW BUSINESS:

- A. Annual Business meeting agenda: The draft agenda was reviewed. Discussion of the awards program was eliminated as that seems to be working OK for now. It was suggested we ask Billings to report on how they used the money from the drawing. While there may be other items added between now and the meeting, the rest of the agenda will remain.
- B. 2003 Meeting Calendar: A few options were discussed for the Fall Board meeting dates, but no consensus was reached. Kathy will check on possible conflicting meetings in September/October and let the Board know. A decision could be made in Hamilton as well.
- C. 2003 – 2004 Executive Board candidates: Patty stated that Mark Heinert is ready and willing to take on the Chair position, which leaves the Treasurer's spot open. Barb Kain agreed to being nominated for Treasurer – as Mark said he would continue to do the IRS reporting. Carolyn, Pat and Jim agreed to continue in their current roles. Patty needs to talk with Cliff and Roy to determine their willingness to continue as Area Reps.
- D. Possible sites for 2004 joint meeting: No potentials at this point. Jim suggested Kathy send out a memo to all the JSEC Coordinators to discuss the idea of hosting the meeting. The memo will include information on requirements and expectations for hosting.

V. REPORTS -- CONTINUED

- A. National Business Engagement Consortium (Kathy): The campaign has begun and is in full swing. There will be more to report at the Hamilton meeting.
- B. USDOL Business Relations Group (Kathy): The BRG is currently gathering information on training being done to address needs in certain high-growth industry sectors.

VI. ADJOURN: The meeting was adjourned at 3:20 p.m.